Appendix III

[*Vide* item VI (i)]

(L.A. Bill No. 27 of 1970)

(As passed by the Assembly)

A Bill further to amend the Tamil Nadu Co-operative Societies Act, 1961

Be it enacted by the Legislature of the State of Tamil Nadu in the Twenty-first Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Tamil Nadu Co-operative Societies (Amendment) Act, 1970.

(2) It shall be deemed to have come into force on the 10th November, 1970.

2. *Insertion of new Chapter IX-A in Tamil Nadu Act* 53 *of* 1961.—After Chapter IX of the Tamil Nadu Co-operative Societies Act, 1961 (Tamil Nadu Act 53 of 1961) (hereinafter referred to as the principal Act), the following Chapter shall be inserted, namely :—

"CHAPTER IX-A

STATE CO-OPERATIVE BANK AND CENTRAL CO-OPERATIVE BANK

73-A. *Definitions.*—In this Chapter, unless the context otherwise requires,—

(*a*) "Board" means the board of directors of the State Co-operative Bank ;

(*b*) "Central Co-operative Bank" means a co-operative central Bank registered or deemed to be registered under this Act and which is a member of the State Co-operative Bank ;

(*c*) "Committee" in relation to a Central Co-operative Bank means the board of directors or the board of management or the committee of management or the governing body to whom the management of its affairs is entrusted ;

(*d*) "small farmer" means a person owning or cultivating not more than such extent of land as may be prescribed ;

(*e*) "State Co-operative Bank" means the Tamil Nadu State Co-operative Bank Limited ;

(*f*) "weaker sections of society" includes small farmers, Scheduled Castes, Scheduled Tribes and women.

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73-B. *State Co-operative Bank and Central Co-operative Banks.*—(1) There shall be a State Co-operative Bank for the State of Tamil Nadu and as many Central Co-operative Banks as may be deemed necessary.

(2) On and from the date of the commencement of the Tamil Nadu Co-opertaive Societies (Amendment) Act, 1970 (hereinafter referred to as the Amendment Act) —

(i) the existing Tamil Nadu State Co-operative Bank Limited (Registered No. 18) shall be deemed to be, and shall be, the State Co-operative Bank ; and—

(*ii*) every Co-operative Central Bank in existence shall be deemed to be, and shall be, a Central Co-operative Bank and a member of the State Co-operative Bank.

3 (*a*) Tbe Board shall consist of the Presidents or Chairmen, as the case may be, of all the Central Co-operaitve Banks, such member of other members to be elected and nominated as may be prescribed and an *ex-officio* member to be specified in the rules, and the Committee shall consist of such number of members to be elected and nominated as may be prescribed and an *ex-officio* member to be specified in the rules :

Provided that representation in the Committee shall be given to weaker sections of society :

Provided further that the number of nominated members shall not exceed one-fifth of the total number of members of the Board or the committee :

Provided also that the existing members of the Board of Management of the Tamil Nadu State Co-operative Bank Limited (Registered No. 18) or the Committee of the Co-operative Central Bank concerned, as the case may be, on the date of the commencement of the Amendment Act, shall, subject to the provisions of section 28, continue as members of the Board or the Committee constituted for the first time after the date of the commencement of the Amendment Act, until the expiry of their existing term of office as members or until the date upto which their term of office as members has been extended under clause (*c*) of sub-section (3) of section 27 :

Provided also that the *ex-officio* member shall not be entitled to vote at elections.

(*b*) The Government may, by order, depute one or more officers of the Government to attend any meetings of the Board and the Committee and to take part in the discussions thereat, but such officer or officers shall not have the right to vote.

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(4) Every new Central Co-operative Bank registered after the date of the commencement of the Amendment Act shall, on such registration, be deemed to be, and shall be a member of the state Co-operative Bank :

Provided that any such member may, with the approval of the Registrar, be removed from membership of the State Co-operative Bank by a resolution of the Board ; and any application for obtaining such approval shall be made within two months from the date of registration of the Central Co-operative Bank.

(5) Every registered society of such class as may be prescribed, shall on application made in the form, if any, prescribed for the purpose, be deemed to be admitted as a member of the Central Co-operative Bank on and from the date of receipt of such application by the Central Co-operative Bank :

Provided that any member deemed to be admitted under this sub-section may, with the approval of the Registrar, be removed from membership by the Committee ; and any application for obtaining such approval shall be made within two months from the date on which such member is deemed to be admitted.

73-C. *Vesting of assets and liabilities.*—On and from the date of commencement of the amendment Act, all assets and liabilities of the existing Tamil Nadu State Co-operative Bank Limited (Registered No. 8) and the existing Co-operative Central Banks shall stand transferred to, and vest in, the State Co-operative Bank and the corresponding Central Co-operative Banks, respectively.

73-D. *Guarantee by Government of principal of and interest on loans and advances taken by the State Co-operative Bank and Central Cooperative Banks.*–(1) The Government may, subject to such maximum amount as may be fixed by them and subject to such conditions as they may think fit to impose, guarantee the repayment of the principal of, and the payment of interest on, any loan or advance taken by the State Co-operative Bank and each of the Central Co-operative Banks.

(2) The Government may, after consulting both Houses of the Legislature increase the maximum amount of the guarantee fixed by them under sub-section (1).

73-E. *Central Co-operative Banks may function through the agency of other societies.*—Any Central Co-operative Bank may function in any particular area within its area of operation through the agency of any other registered society, including any co-operative bank, subject to such conditions as the Registrar may, by general or special order, specify.

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73-F. *Power to make rules.*—(1) The Government may make rules to carry out the purposes of this Chapter.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(i) all matters expressly required or allowed by this Chapter to be prescribed ;

(ii) the number of members to be elected to the Board and the Committee and the number to be elected from each registered society or class of registered societies ;

(iii) the number of members to be nominated to the Board and the Committee and their qualifications ;

(iv) the term of office of the members of the Board and the Committee ;

(v) the election and nomination of members to the Board and the Committee and their removal ;

(vi) the election of office-bearers to the Board and the Committee and their term of office ;

(vii) the constitution of the executive committee of the Commitee and the delegation of the functions of the Committee to the executive committee.

73-G. *Provisions of this Chapter to override other provisions.*—The provisions of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other provision of this Act or in any rule or by-law (including the by-law of any registered society) or in any other law for the time being in force."

3. *Amendment of section 96, Tamil Nadu Act 53 of 1961.*—In clause (*a*) of sub-section (2) of section 96 of the principal Act, after the expression " approval of or refusal to approve the removal of a member under the proviso to clause (*a*) of sub-section (2) of section 17", the expression " the proviso to sub-section (4) or the proviso to sub-section (5) of section 73-B," shall be inserted.

4. *Repeal.* —The Tamil Nadu Co-operative Societies (Amendment) Ordinance, 1970 (Tamil Nadu Ordinance 4 of 1970), is hereby repealed.

I certify that this is a Money Bill.

FORT ST. GEORGE, MADRAS-9. K. GOVINDAN,
DATE : 27-11-1970. *Speaker, Tamil Nadu Legislative Assembly.*